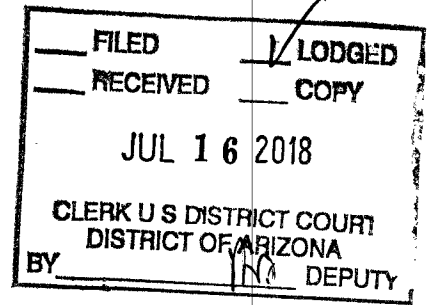


1 ALDEN F. ABBOTT  
General Counsel

2 J. RONALD BROOKE, JR. (MD Bar No. 0202280002)  
3 RUSSELL DEITCH (CA Bar No. 138713)  
Federal Trade Commission  
4 600 Pennsylvania Ave., N.W., CC-8528  
Washington, DC 20580  
5 (202) 326-3197 (fax)  
rdeitch@ftc.gov  
6 jbrooke@ftc.gov  
(202) 326-3484 (Brooke)  
7 (202) 326-2585 (Deitch)  
Attorneys for Plaintiff Federal Trade Commission



8  
9 **UNITED STATES DISTRICT COURT**  
10 **FOR THE DISTRICT OF ARIZONA**

11  
12 **FEDERAL TRADE COMMISSION,**

13 **Plaintiff,**

14 **v.**

15 **HITE MEDIA GROUP, LLC, a Michigan**  
16 **limited liability company, also d/b/a Premium**  
17 **Grants and PremiumGrants.com;**

18 **PREMIUM BUSINESS SOLUTIONS, LLC,**  
19 **an Arizona limited liability company, also**  
20 **d/b/a Premium Services, Premium Grants, and**  
**PremiumGrants.com;**

21 **PREMIUM DOMAIN SERVICES, LLC, an**  
22 **Arizona limited liability company, also d/b/a**  
23 **Premium Services, Premium Grants, and**  
**PremiumGrants.com;**

24 **2 UNIQUE, LLC, an Arizona limited liability**  
25 **company, also d/b/a Unique Services, Unique**  
26 **Grants, UniqueGrants.com, and Grant**  
**Support;**

27 **AMAZING APP, LLC, an Arizona limited**  
28

CV-18-2221-PHX-SPL

Case No. \_\_\_\_\_

**COMPLAINT FOR  
PERMANENT INJUNCTIVE  
AND OTHER EQUITABLE  
RELIEF**

**Filed Under Seal**

**SEALED**

1 liability company;

2 MICHAEL FORD HILLIARD, individually  
3 and as the owner and manager of Amazing  
4 App, LLC, and as a *de facto* manager and a  
5 beneficial owner of Hite Media Group, LLC,  
6 Premium Business Solutions, LLC, Premium  
Domain Services, LLC, and 2 Unique, LLC;

7 MICHAEL DE ROSA, individually and as a  
8 *de facto* manager of Hite Media Group, LLC,  
9 Premium Business Solutions, LLC, Premium  
Domain Services, LLC, and 2 Unique, LLC;

10 SHAWN STUMBO, individually and as an  
11 agent, owner, and manager of Premium  
Domain Services, LLC;

12 TIFFANY HOFFMAN, individually and as an  
13 member, officer, agent, and owner of 2  
14 Unique, LLC;

15 JEREMY SILVERS, individually and as an  
16 owner and manager of Premium Business  
Solutions, LLC.

17 Defendants.

18  
19 Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

20 1. The FTC brings this action under Section 13(b) of the Federal Trade  
21 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the Telemarketing and  
22 Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§  
23 6101-6108, to obtain temporary, preliminary, and permanent injunctive relief,  
24 rescission or reformation of contracts, restitution, the refund of monies paid,  
25 disgorgement of ill-gotten monies, the appointment of a receiver, an asset freeze,  
26 and other equitable relief for Defendants’ acts or practices in violation of Section  
27 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC’s Telemarketing Sales Rule  
28

1 (“TSR”), 16 C.F.R. Part 310, in connection with the sale and offering for sale of  
2 grants services.

### 3 **JURISDICTION AND VENUE**

4 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331,  
5 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b), 6102(c), and 6105(b).

6 3. Venue is proper in this district under 28 U.S.C. §§ 1391(b)(2), (b)(3),  
7 (c)(1), (c)(2), (c)(3), and (d), and 15 U.S.C. § 53(b).

### 8 **SUMMARY OF THE CASE**

9 4. Defendants bilk consumers by deceptively marketing and selling bogus  
10 grants services. They falsely represent that consumers who purchase their services  
11 are likely to obtain tens of thousands of dollars in grant money that the consumers  
12 can use for personal expenses, such as repaying credit card and other debt, home  
13 repairs, and medical expenses. Defendants’ false representation violates Section 5  
14 of the FTC Act and Section 310.3(a)(4) of the TSR. Consumers, many of whom  
15 are elderly or disabled, have lost millions of dollars to this scheme.

### 16 **PLAINTIFF**

17 5. The FTC is an independent agency of the United States Government  
18 created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the  
19 FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices  
20 in or affecting commerce. The FTC is also charged with enforcement of the  
21 Telemarketing Act, 15 U.S.C. §§ 6101-6108, under which the FTC promulgated  
22 and enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive or abusive  
23 telemarketing practices.

24 6. The FTC is authorized to initiate federal district court proceedings, by its  
25 own attorneys, to enjoin violations of the FTC Act and the TSR, and to secure  
26 such equitable relief as may be appropriate in each case, including rescission or  
27 reformation of contracts, restitution, the refund of monies paid, the disgorgement  
28

of ill-gotten monies, the appointment of a receiver, and an asset freeze. 15 U.S.C. §§ 53(b), 6012(c), and 6105(b).

### **DEFENDANTS**

7. **Defendant Hite Media Group, LLC** (“Hite Media”), also doing business as Premium Grants and PremiumGrants.com, is a Michigan limited liability company with mailing addresses at 1887 Holton Rd. Suite D174, Muskegon, MI 49445 and 6040 E. Main St. #127, Mesa, AZ 85205. Hite Media transacts or has transacted business in this district and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Hite Media has advertised, marketed, and sold grant services to consumers throughout the United States.

8. **Defendant Premium Business Solutions, LLC** (“PBS”), also doing business as Premium Services, Premium Grants, and PremiumGrants.com, is an Arizona limited liability company with mailing addresses at 1616 E. Main Street #210, Mesa, AZ 85203 and 625 W Southern Ave. Suite E, Mesa, AZ 85210. PBS has used the URL PremiumSolutions.us. PBS transacts or has transacted business in this district and throughout the United States. At times material to this Complaint, acting alone or in concert with others, PBS has advertised, marketed, and sold grant services to consumers throughout the United States.

9. **Defendant Premium Domain Services, LLC** (“Premium Domain”), also doing business as Premium Services, Premium Grants, and PremiumGrants.com, is an Arizona limited liability company. Premium Domain has used the URL PremiumDomainServices.us and the mailing address 6040 E. Main St. #127, Mesa, AZ 85205. Premium Domain transacts or has transacted business in this district and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Premium Domain has advertised, marketed, and sold grant services to consumers throughout the United States.

10. **Defendant 2 Unique, LLC** (“2 Unique”), also doing business as Unique Services, Unique Grants, UniqueGrants.com, and Grant Support, is an Arizona limited liability company with a mailing address of 2942 N. 24th St. Suite 114-566, Phoenix, AZ 85016. 2 Unique has operated out of 2720 E. Thomas Rd. C150, Phoenix, AZ 85016. 2 Unique transacts or has transacted business in this district and throughout the United States. At times material to this Complaint, acting alone or in concert with others, 2 Unique has advertised, marketed, and sold grant services to consumers throughout the United States.

11. **Defendant Amazing App, LLC** (“Amazing App”) is an Arizona limited liability company with a registered address at 1616 E. Main St. #210, Mesa, AZ 85203. Amazing App has also used 6040 E. Main St. #127, Mesa, AZ 85205 as a contact address and has operated out of 2720 E. Thomas Rd. C150, Phoenix, AZ 85016 and an office at 14040 N. Cave Creek Rd., Phoenix, AZ 85022. Amazing App transacts or has transacted business in this district and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Amazing App has advertised, marketed, and sold grant services to consumers throughout the United States.

12. **Defendant Michael Ford Hilliard** (“Hilliard”), also known as Michael Ford, is the owner and manager of Amazing App and manager or *de facto* manager, and beneficial owner of, Hite Media, PBS, Premium Domain, and 2 Unique. At times material to this Complaint, acting alone or in concert with others, Hilliard has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Hilliard resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

1 13. **Defendant Michael De Rosa** is a manager or *de facto* manager of PBS,  
2 Premium Domain, and 2 Unique. At times material to this Complaint, acting  
3 alone or in concert with others, he has formulated, directed, controlled, had the  
4 authority to control, or participated in the acts and practices set forth in this  
5 Complaint. Defendant De Rosa resides in this district and, in connection with the  
6 matters alleged herein, transacts or has transacted business in this district and  
7 throughout the United States.

8 14. **Defendant Shawn Stumbo** is an agent, owner, and manager of Premium  
9 Domain. At times material to this Complaint, acting alone or in concert with  
10 others, Stumbo has formulated, directed, controlled, had the authority to control,  
11 or participated in the acts and practices set forth in this Complaint. Stumbo  
12 resides in this district and, in connection with the matters alleged herein, transacts  
13 or has transacted business in this district and throughout the United States.

14 15. **Defendant Tiffany Hoffman** is a member, officer, agent, and owner of 2  
15 Unique. At times material to this Complaint, acting alone or in concert with  
16 others, she has formulated, directed, controlled, had the authority to control, or  
17 participated in the acts and practices set forth in this Complaint. Defendant  
18 Hoffman resides in this district and, in connection with the matters alleged herein,  
19 transacts or has transacted business in this district and throughout the United  
20 States.

21 16. **Defendant Jeremy Silvers** is a manager, member, and owner of PBS. At  
22 times material to this Complaint, acting alone or in concert with others, he has  
23 formulated, directed, controlled, had the authority to control, or participated in the  
24 acts and practices set forth in this Complaint. Defendant Silvers resides in this  
25 district and, in connection with the matters alleged herein, transacts or has  
26 transacted business in this district and throughout the United States.

## COMMON ENTERPRISE

17. Defendants Hite Media, PBS, Premium Domain, 2 Unique, and Amazing App (collectively, "Corporate Defendants") have operated as a common enterprise while engaging in the deceptive acts and practices and other violations of law alleged below. Corporate Defendants have conducted the business practices described herein through an interrelated network of companies that have common ownership, officers, managers, business functions, employees, office locations, mailing addresses, and phone numbers, and that commingled funds. Because the Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below. Defendants Hilliard, De Rosa, Stumbo, Hoffman, and Silvers have formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants.

## COMMERCE

18. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

## DEFENDANTS' BUSINESS ACTIVITIES

19. Since at least mid-2014, Defendants have operated a deceptive grant telemarketing scheme from call centers in the Phoenix area.

20. Defendants have operated under numerous names, including Premium Grants, Premium Services, Unique Grants, and Unique Services. They have often created new companies or business names after an existing one generated significant consumer complaints, lost a merchant account, or was subject to an inquiry or sent cease and desist demands from state attorney generals' offices.

21. Defendants Hilliard, De Rosa, Hoffman, and Silvers were managers of, or associated with, entities that were shut down by, or received cease and desist



1 demands from, state regulators because of allegations that those entities made  
2 misrepresentations to consumers about the likelihood of consumers obtaining  
3 thousands of dollars in grants.

4 **Defendants Sales Pitch**

5 22. Defendants call consumers and represent that the consumers are eligible  
6 for, and with Defendants' assistance will likely receive, \$10,000 or more in grants  
7 from government, corporate, or private grantors.

8 23. Some of the consumers that Defendants call visited websites associated  
9 with Defendants, such as PremiumGrants.com and UniqueGrants.com. These  
10 websites include claims about the availability of billions of dollars in grant money  
11 for groups such as, small business, women, minorities, and seniors. Both  
12 PremiumGrants.com and UniqueGrants.com allow consumers to enter their phone  
13 number and email address into a contact form for the purpose of being contacted  
14 about grant funding.

15 24. Defendants often tell consumers that multi-billion dollar corporations fund  
16 millions of dollars in grants to individuals, like the consumers. They often state  
17 that businesses provide such grants as tax write offs and refer to such grants as  
18 "stimulus grants."

19 25. Defendants routinely represent that the consumers can use the grant money  
20 to repay credit card and other debt, make home improvements and repairs, pay  
21 medical expenses, purchase automobiles, or for other personal expenses.

22 26. Defendants often tell elderly or disabled consumers, veterans, single  
23 mothers, and consumers with large amounts of debt, that they are eligible for  
24 \$10,000 to \$20,000 in grant money based on these qualifications alone.

25 27. In numerous instances, Defendants tell consumers they are eligible for  
26 grants ranging from \$10,000 to \$100,000 dollars. Defendants have represented to  
27  
28



1 consumers that they have a near 100% success rate in obtaining \$10,000 or more  
2 in grant money for consumers to use for personal expenses.

3 28. Defendants typically charge consumers fees up front, ranging from \$295 to  
4 at least \$4,995, purportedly for Defendants' work on securing the grant money for  
5 the consumers.

6 29. Defendants tell consumers that after they pay Defendants, Defendants will  
7 send the consumers a grant workbook and schedule the consumer for four to six  
8 "training sessions" with a "grant specialist" to help the consumer complete the  
9 grant workbook.

10 30. In numerous instances, Defendants tell consumers during the sales call that  
11 the consumers will receive the grant money within 30 to 90 days of completing the  
12 "training."

13 31. Defendants frequently reassure consumers who express concerns about  
14 paying Defendants' large fees that, to finance the fees, they will only have to make  
15 the minimum monthly payment on their credit cards for two or three billing cycles  
16 before receiving \$10,000 or more in grant money.

17 32. Defendants have obtained payments from consumers via credit or debit  
18 card, typically over the phone, or by consumers mailing Defendants checks or  
19 money orders.

20 33. Contrary to Defendants' representations, consumers are unlikely to obtain  
21 thousands of dollars in grant money for personal expenses. In fact, in numerous if  
22 not most instances, consumers who pay Defendants' fees receive no grant money  
23 whatsoever.

24 34. After consumers pay Defendants' fees, Defendants typically email  
25 consumers an invoice, which often states that the consumers have purchased  
26 "Social Business Training."  
27  
28

1 35. Within a few days of collecting their upfront payment from consumers,  
2 Defendants typically mail the consumers a package including a "Welcome Letter"  
3 and a "training workbook." Defendants routinely instruct consumers to provide  
4 answers to the questions in the workbook, including why the consumer needs a  
5 grant and questions about the consumer's personal and financial information.

6 36. Within a week or two of mailing their package to consumers, Defendants  
7 typically call the consumers to schedule "grant training sessions."

8 37. In numerous instances, during the scheduling call or "training sessions,"  
9 Defendants tell consumers that if the consumers pay an additional fee, Defendants  
10 will create an online profile for the consumer that will enable Defendants to obtain  
11 more grant money for the consumers than originally represented. In other  
12 instances, Defendants tell consumers that if the consumers pay an additional fee,  
13 Defendants will be able to obtain the grant money for the consumer faster.

14 38. In numerous instances, during the "grant training sessions," consumers  
15 have informed Defendants that they intend to use the grant money to pay credit  
16 card bills and other personal debt, repair their house, pay medical expenses, or buy  
17 a car. Defendants have often told consumers that Defendants routinely get grants  
18 for individuals for those purposes.

19 39. After consumers complete the "training workbook" and "training sessions,"  
20 Defendants direct the consumers to mail the completed copy of the workbook to  
21 Defendants.

22 40. In many instances, once consumers have mailed their completed workbook  
23 to Defendants, Defendants tell consumers that it may take up to several months for  
24 Defendants to draft the grant proposal, send the proposal to the grantors, and  
25 obtain the grant money for the consumers.

26 41. In numerous instances, after waiting several months and not receiving tens  
27 of thousands of dollars in grant money, or getting any updates on the status of their  
28

1 grants from Defendants, consumers contact Defendants, often via letters,  
2 telephone, or email.

3 42. In numerous instances, when consumers ask Defendants about the status of  
4 their grant money, Defendants initially tell the consumers to be patient.  
5 Defendants often also state that they are sending out more grant applications on  
6 the consumers' behalf to additional grantors.

7 43. After stringing inquiring consumers along for several months, Defendants  
8 often stop answering these consumers' calls and ignore their letters, voicemails, or  
9 emails.

10 44. In some instances, if a consumer attempts to get his or her money back by  
11 contacting his or her credit card company and initiating a chargeback, Defendants  
12 contact the consumer with threats, such as threats of collection actions, if the  
13 consumer does not cancel the chargeback request.

14 45. The vast majority of grants in the United States are awarded to non-profits,  
15 state and local governments, and other organizations or entities, not to individuals.

16 46. Grants awarded in the United States are rarely, if ever, available to  
17 individuals solely for personal expenses.

18 47. The "services" that Defendants market and sell are unlikely to allow  
19 consumers to obtain thousands of dollars in grant money that the consumers can  
20 use for personal expenses.

21 48. Since at least 2014, Defendants have taken more than \$3 million from  
22 consumers through the conduct challenged in this Complaint.

23 **VIOLATIONS OF THE FTC ACT**

24 49. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or  
25 deceptive acts or practices in or affecting commerce."

26 50. Misrepresentations or deceptive omissions of material fact constitute  
27 deceptive acts or practices prohibited by Section 5(a) of the FTC Act.  
28

**COUNT I**

**FTC Act Violations**

51. In numerous instances, in connection with the marketing, offering for sale, or sale of grants opportunities, Defendants represent, directly or indirectly, expressly or by implication, that consumers who purchase and use Defendants' services are likely to receive government, corporate, or private grants worth thousands of dollars that the consumers can use for personal expenses.

52. The representation set forth in Paragraph 51 of this Complaint is false, misleading, or was not substantiated at the time the representation was made.

53. Therefore, Defendants' representation set forth in Paragraph 51 of this Complaint constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**DECEPTIVE TELEMARKETING CALLS**

**IN VIOLATION OF THE TSR**

54. Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15 U.S.C. §§ 6101-6108, in 1994. The FTC adopted the original TSR in 1995, extensively amended it in 2003, and amended certain sections thereafter. 16 C.F.R. Part 310.

55. Defendants are "seller[s]" or "telemarketer[s]" engaged in "telemarketing" as defined by the TSR, 16 C.F.R. §§ 310.2(aa), (cc), and (dd).

56. The TSR prohibits sellers and telemarketers from misrepresenting, directly or by implication, in the sale of goods or services, any material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of a sales offer. 16 C.F.R. § 310.3(a)(2)(iii). Likewise, the TSR prohibits sellers and telemarketers from making any false or misleading statements to induce a person to pay for goods or services. 16 C.F.R. § 310.3(a)(4).

Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the TSR constitutes an unfair or deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

## **COUNT II**

### **TSR Violations**

57. In numerous instances, in connection with the advertising, telemarketing, promoting, or offering for sale of grant opportunities, Defendants have misrepresented, directly or by implication, that consumers who purchase and use Defendants' services are likely to receive government, corporate, or private grants worth thousands of dollars that the consumers can use for personal expenses.

58. The acts and practices of Defendants described in Paragraph 57 of this Complaint are deceptive telemarketing acts or practices that violate the TSR, 16 C.F.R. §§ 310.3(a)(2)(iii) and (a)(4).

### **CONSUMER INJURY**

59. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act and the TSR. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

### **THIS COURT'S POWER TO GRANT RELIEF**

60. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and

1 the disgorgement of ill-gotten monies, to prevent and remedy any violation of any  
2 provision of law enforced by the FTC.

3 **PRAYER FOR RELIEF**

4 Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15  
5 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

6 A. Award Plaintiff such preliminary injunctive and ancillary relief as  
7 may be necessary to avert the likelihood of consumer injury during the pendency  
8 of this action and to preserve the possibility of effective final relief, including but  
9 not limited to, temporary and preliminary injunctions, an order freezing assets, and  
10 the appointment of a receiver;

11 B. Enter a permanent injunction to prevent future violations of the FTC  
12 Act and the TSR by Defendants;


13 C. Award such relief as the Court finds necessary to redress injury to  
14 consumers resulting from Defendants' violations of the FTC Act and the TSR,  
15 including but not limited to, rescission or reformation of contracts, restitution,  
16 refund of monies paid, and disgorgement of ill-gotten monies; and

17 D. Award Plaintiff the costs of bringing this action, as well as such  
18 other and additional relief as the Court may determine to be just and proper.

1 Dated: 16 July, 2018

2 Respectfully submitted,

3 ALDEN F. ABBOTT  
4 General Counsel

5   
6 J. Ronald Brooke, Jr.  
7 Russell Deitch  
8 Federal Trade Commission  
9 600 Pennsylvania Ave., N.W., CC-2850  
10 Washington, DC 20580  
11 (202) 326-3395 (Fax)  
12 (202) 326-3484 (Brooke)  
13 (202) 326-2585 (Deitch)

14 Attorneys for Plaintiff